

CHAPTER 1117

STATE SALES TAX — REBATE FOR BASEBALL AND SOFTBALL TOURNAMENT FACILITY

S.F. 2312

AN ACT modifying the state sales tax rebate to the owner or operator of a baseball and softball tournament facility and movie site.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. **NEW SECTION. 15F.207 Baseball and softball complex sales tax rebate.**

1. *Definitions.* As used in this section, unless the context otherwise requires, “baseball and softball complex” and “owner or operator” mean the same as defined in section 423.4, subsection 10.

2. *Application.* An entity that has made or is making an application under section 15F.202, subsection 2, for financial assistance for a project may make an application for the sales tax rebate provided under section 423.4, subsection 10. The application shall be made in the same manner and form as provided in section 15F.202, subsection 2, and shall include but not be limited to the same information as required in section 15F.202, subsection 2.

3. *Eligibility.*

a. The project must satisfy all of the following criteria to be eligible for a sales tax rebate:

(1) The project upon completion will be a baseball and softball complex.

(2) The entity making the application is or will become the owner or operator of the baseball and softball complex.

b. A project shall not be required to be receiving an award of financial assistance under another part of the program in order to be awarded a sales tax rebate pursuant to this section.

4. *Application review and award.*

a. Applications for the sales tax rebate shall be submitted to the authority. For those applications that meet the eligibility criteria, the authority shall provide a staff review and evaluation, with recommendation, to the board.

b. When reviewing applications, the authority shall consider, at a minimum, the same factors provided in section 15F.203, subsection 3, excluding paragraph “f” of that subsection.

c. Upon review of the recommendation of the authority, the board shall approve, defer, or deny an application.

d. Upon approval of an application for a sales tax rebate, the board shall notify the department of revenue regarding the amount of the sales tax rebate award, a description of the project comprising the baseball and softball complex, and any other information reasonably requested by the department in order to administer the sales tax rebate.

5. *Maximum award amount.* The board shall not award more than two million five hundred thousand dollars in sales tax rebates for any one baseball and softball complex, and shall not award more than five million dollars in total sales tax rebates for all baseball and softball complexes.

6. *Future repeal.* This section is repealed thirty days following the date on which five million dollars in total rebates have been awarded. The board shall notify the Iowa Code editor upon occurrence of this condition.

Sec. 2. Section 423.2, subsection 11, paragraph a, subparagraph (2), Code 2016, is amended to read as follows:

(2) Subsequent to the deposit into the general fund of the state, the director shall credit an amount equal to the product of the sales tax rate imposed in this section times the sales price of the tangible personal property or services furnished to purchasers at a baseball and softball tournament facility and movie site meeting complex that has received an award under section 15F.207 and that meets the qualifications of section 423.4, subsection 10, into the baseball and softball tournament facility and movie site complex sales tax rebate fund created under section 423.4, subsection 10, paragraph “e”. The director shall credit the moneys beginning the first day of the quarter following July 1, 2012 2016. This subparagraph is repealed June 30, 2024, or thirty days following the date on which sixteen million five hundred thousand

five million dollars in total rebates have been provided under section 423.4, subsection 10, or thirty days following the date on which rebates cease as provided in section 423.4, subsection 10, paragraph “c”, subparagraph (4), whichever is earliest.

Sec. 3. Section 423.2, subsection 11, paragraph b, subparagraph (4), Code 2016, is amended to read as follows:

(4) Transfer to the baseball and softball tournament facility and movie site complex sales tax rebate fund that portion of the sales tax receipts described in paragraph “a”, subparagraph (2), remaining after the transfers required under subparagraphs (1), (2), and (3) of this paragraph “b”. This subparagraph is repealed June 30, 2024, or thirty days following the date on which sixteen million five hundred thousand five million dollars in total rebates have been provided under section 423.4, subsection 10, or thirty days following the date on which rebates cease as provided in section 423.4, subsection 10, paragraph “c”, subparagraph (4), whichever is earliest.

Sec. 4. Section 423.4, subsection 10, Code 2016, is amended to read as follows:

10. a. For purposes of this subsection:

(1) ~~“Baseball and softball tournament facility and movie site” means a baseball and softball tournament complex and tourist destination, which facility is located on a maximum of two hundred seventy-nine acres, located inside or within three miles of the city limits of a city with a population of at least four thousand but not more than five thousand five hundred residents, which city is located in a county with a population of at least ninety-three thousand but not more than one hundred thousand residents and where the construction on the baseball and softball tournament facility commenced not later than July 1, 2013, and the cost of the construction upon completion was at least thirty-eight million dollars.~~ “Baseball and softball complex” means a baseball and softball complex located in this state that has a project completion date that is after July 1, 2016, and that has a cost of construction upon completion that is at least ten million dollars.

(2) “Change of control” means any of the following:

(a) Any change in the ownership of the original or any subsequent legal entity that is the owner or operator of the baseball and softball tournament facility and movie site complex such that more than fifty-one percent of the equity interests or voting interest in the legal entity ~~cease~~ ceases to be owned by individuals who are residents of Iowa, an Iowa corporation, or combination of both.

(b) The original owners of the legal entity that is the owner or operator of the baseball and softball tournament facility and movie site complex shall collectively cease to own or control more than fifty percent of the voting equity interests or voting interest of such legal entity or shall otherwise cease to have effective control of such legal entity.

(3) “Iowa corporation” means a corporation incorporated under the laws of Iowa where more than fifty-one percent of the corporation’s equity interests or voting interest are owned or controlled by individuals who are residents of Iowa.

(4) “Owner or operator” means a for-profit legal entity where more than fifty-one percent of its equity interests are or voting interest is owned or controlled by individuals who are residents of Iowa, an Iowa corporation, or combination of both and that is the owner or operator of a baseball and softball tournament facility and movie site complex and is primarily a promoter of baseball and or softball tournaments, or both.

(5) ~~“Population” means the population based upon the 2010 certified federal census.~~ “Project completion date” means the date on which a baseball and softball complex is placed into service.

b. The owner or operator of a baseball and softball tournament facility and movie site ~~may apply to the department for~~ complex that has received an award under section 15F.207 shall be entitled to a rebate of sales tax imposed and collected by retailers upon sales of any goods, wares, merchandise, admission tickets, or services furnished to purchasers at the baseball and softball tournament facility and movie site complex.

c. The rebate may be obtained only in the following amounts and manner and only under the following conditions:

(1) On forms furnished by the department within the time period provided by the department by rule, which time period shall not be longer than quarterly.

(2) The owner or operator shall provide information as deemed necessary by the department.

(3) The transactions for which sales tax was collected and the rebate is sought occurred on or after ~~January 1, 2014, but before January 1, 2024~~ the baseball and softball complex's project completion date or the date on which the award under section 15F.207 was made, whichever is later, but before the date which is ten years after the project completion date. However, ~~not more than sixteen million five hundred thousand~~ the amount of rebates provided to a baseball and softball complex shall not exceed the amount of the award under section 15F.207, and not more than five million dollars in total rebates shall be provided pursuant to this subsection.

(4) Notwithstanding subparagraph (3), the rebate of sales tax to a baseball and softball complex shall cease for transactions occurring on or after the date of the change of control of the baseball and softball ~~tournament facility and movie site~~ complex.

d. To assist the department in determining the amount of the rebate, the owner or operator shall identify to the department retailers located at the baseball and softball ~~tournament facility and movie site~~ complex who will be collecting sales tax. The department shall verify such identity and ensure that all proper permits have been issued. For purposes of this subsection, advance ticket and admissions sales shall be considered occurring at the baseball and softball ~~tournament facility and movie site~~ complex regardless of where the transactions actually occur.

e. There is established within the state treasury under the control of the department a baseball and softball ~~tournament facility and movie site~~ complex sales tax rebate fund consisting of the amount of state sales tax revenues transferred pursuant to section 423.2, subsection 11, paragraph "b", subparagraph (4). An account is created within the fund for each baseball and softball ~~tournament facility and movie site~~ complex receiving an award under section 15F.207 and meeting the qualifications of this subsection. Moneys in the fund shall only be used to provide rebates of state sales tax pursuant to this subsection, and only the state sales tax revenues in the baseball and softball ~~tournament facility and movie site~~ complex rebate fund are subject to rebate under this subsection. ~~Not more than sixteen million five hundred thousand~~ The amount of rebates paid from each baseball and softball complex's account within the fund shall not exceed the amount of the award under section 15F.207, and not more than five million dollars in total rebates shall be paid from the fund. Any moneys in the fund which represent state sales tax revenue for which the time period in paragraph "c" for receiving a rebate has expired, or which otherwise represent state sales tax revenue that has become ineligible for rebate pursuant to this subsection, shall immediately revert to the general fund of this state.

f. Upon determining that the conditions and requirements of this subsection and the department are met, the department shall issue a warrant from the applicable account within the baseball and softball ~~tournament facility and movie site~~ complex rebate fund to the owner or operator in the amount equal to the amount claimed and verified by the department.

g. This subsection is repealed ~~June 30, 2024, or thirty days following the date on which sixteen million five hundred thousand five million dollars in total rebates have been provided, or thirty days following the date on which rebates cease as provided in paragraph "c", subparagraph (4), whichever is the earliest.~~ The director of revenue shall notify the Iowa Code editor upon occurrence of this condition.